

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:	: Chapter 11
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THE D&M CAPITAL GROUP, LLC,	: Case No. 19-11711 (SCC)
	:
Debtor.	:
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**ORDER CONVERTING DEBTOR'S CHAPTER 11 CASE TO A CASE UNDER
CHAPTER 7 OF THE BANKRUPTCY CODE**

Upon the record of the telephonic status conference (the “Status Conference”) held on July 16, 2020 in the above-captioned case, which record was “so ordered” by this Court; and the following parties in interest, having appeared through their respective counsel at the Status Conference: (i) The D&M Capital Group, LLC, the debtor and debtor-in-possession (the “Debtor”); (ii) Essex Global Trading, LLC, and Aleks Paul; (iii) Moty Spector; (iv) the U.S. Trustee’s Office; (v) certain creditors of the estate, often referred to as “the Participants” in documents filed in the Debtor’s chapter 11 case (the “Chapter 11 Case”) and the adversary proceeding *The D&M Capital Group LLC v. Essex Global Trading, LLC et al.*, Adv. Pro. No. 19-01300 (SCC) (the “Adversary Proceeding”), which is pending before this Court; and (vi) other parties in interest; and the Court, having been informed during the Status Conference that the Debtor’s estate is administratively insolvent and that the Debtor has not and cannot pay the premiums for certain of the Debtor’s insurance policies, as reflected in the Debtor’s most recent monthly operating reports that it filed with this Court; and the Court, having been further informed during the Status Conference that the Debtor and its primary creditors and other parties in interest (collectively with the Debtor, the “Key Constituents”) were negotiating a global compromise that, if reached, would resolve various issues and claims, including those asserted in the Adversary Proceeding, and, absent such a compromise, the Debtor would be unable to propose a confirmable

chapter 11 plan; and the Court, having set a deadline of July 30, 2020 for an executed settlement agreement by and among certain of those Key Constituents to be submitted to the Court, which deadline the Court extended to August 10, 2020, or the Court would enter an order forthwith converting the Chapter 11 Case to one under chapter 7 of title 11 of the United States Code (the “Bankruptcy Code”); and no executed settlement agreement having been submitted to the Court by August 10, 2020; and the Court, having determined that there is cause pursuant to section 1112(b) of the Bankruptcy Code to convert the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code and that conversion is in the best interests of creditors and the estate; and the Court having authority to order such relief *sua sponte* pursuant to sections 105 and 1112(b) of the Bankruptcy Code; and the Court, finding that abbreviated notice is appropriate under the circumstances, and it appearing that no other or further notice or hearing need be provided; and upon all the proceedings had before the Court; and, after due deliberation; now, therefore,

IT IS HEREBY ORDERED THAT:

1. Pursuant to sections 105 and 1112(b) of the Bankruptcy Code, the Chapter 11 Case is converted to a case under chapter 7 of the Bankruptcy Code.
2. The Debtor shall use reasonable efforts to comply with Rule 1019(4) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) in a timely manner.
3. The deadlines provided in Bankruptcy Rule 1019(5)(A) shall be extended by an additional thirty (30) days.
4. The Debtor’s counsel shall file, within fourteen (14) days of this Order, an application for compensation for outstanding fees and expenses incurred during the administration of the Chapter 11 Case.

5. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Order.

Dated: New York, New York
August 11, 2020

/S/ Shelley C. Chapman
HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE